



State of California

# Employment Training Panel

Arnold Schwarzenegger, Governor

February 22, 2010

Rodney Babcock, President  
Next Intent, Inc.  
865 Via Estaban  
San Luis Obispo, CA 93401

Dear Mr. Babcock:

RE: FINAL MONITORING VISIT REPORT for Next Intent, Inc. (Next Intent) – ET10-0164

Date of the Visit:	02/19/10
Beginning/Ending Time:	10:00 a.m. – 12:30 p.m.
Date of Last Visit:	10/01/09
Visit Location:	San Luis Obispo
Persons in attendance:	Rodney Babcock, President, Next Intent Elsa Wadzinski, Contract Analyst, Employment Training Panel
Action Required:	No

Term of Agreement:	08/21/09 – 08/20/11	Agreement Amount:	\$29,120
Training Start Date:	10/05/09	Average No. to Retain:	28
Date Training must be Completed:	05/20/11	Range of Hours:	8-60
Type of Trainee:	Retrainee	Weighted Ave. Hours:	40

## **SUMMARY OF ACTION REQUIRED FROM THIS VISIT:**

None

SACRAMENTO CENTRAL OFFICE  
1100 J Street, 4<sup>th</sup> Floor  
SACRAMENTO, CA 95814  
(916) 327-5640

N. HOLLYWOOD REGIONAL OFFICE  
4640 Lankershim Blvd., Suite 311  
NORTH HOLLYWOOD, CA 91602  
(818) 755-1313

S.F. BAY AREA REGIONAL OFFICE  
1065 East Hillsdale Blvd, Suite 415  
FOSTER CITY, CA 94404  
(650) 655-6930

SAN DIEGO REGIONAL OFFICE  
5353 Mission Center Road, Suite 110  
SAN DIEGO, CA 92108  
(619) 686-1920

**FINAL REPORT SUMMARY:**

The Agreement was executed on October 30, 2009 and training began on October 6, 2009. You reported that all ETP training was completed on November 6, 2009, which allows for the 90-day retention period to be completed within the term ending date of the Agreement – August 20, 2011. There were no revision requests during the term of the Agreement.

Project staff advised the Analyst, that 27 of the 28 trainees estimated to be retained as specified on Chart 1, Exhibit A of the Agreement, have completed training and the 90-day retention period. Assuming all other Agreement requirements are met, Next Intent will earn an estimated \$25,584 (88%) of the total ETP Agreement amount (\$29,120). To date, you have received \$18,876 in unearned ETP funding. Ms. Wadzinski reminded project staff that the Final Closeout should be submitted no later than 30 days after the Agreement term has ended.

In discussing the ETP training, you commented that although Next Intent did not complete 100 percent of the training, it was able to provide 96 percent of its employees with Continuous Improvement training. You also added that this training has led to demonstrated improved communication skills and more effective goal setting and project completion times, resulting in more productive teamwork; allowing the company to run leaner and remain viable in California.

Ms. Wadzinski asked if you or your staff encountered any barriers when implementing your ETP program. You responded that the only difficulty was trying to find time to schedule the training while still meeting production demands. You further stated that once you committed to the training program, and a schedule was in place, training rolled out and progressed without seamlessly.

In closing, you and your staff reported that ETP's websites are user-friendly, and that ETP staff provided good support throughout the Agreement. Further, you indicated that Next Intent would consider returning to ETP for another contract to continue Phase II of the training started under this Agreement if ETP funds become available.

**PROJECT STATUS PROVIDED BY THE CONTRACTOR:**

Job Number	Number Started Training	Number Enrolled in Training	Number of Trainees Dropped (following enrollment)	Number of Trainees Completed Minimum Hours	Number of Trainees Completed all Training	Number of Trainees Completed Retention
Totals:	28	28	1	27	27	27

The project status provided corresponds with the Contract Status report indicating 27 trainees were enrolled, and 1 had been dropped.

**ATTENDANCE ROSTERS:**

The Analyst reviewed attendance rosters for 27 trainees for the period between October 6, 2009 and November 6, 2009, and compared the date on the rosters to the information input on the ETP On-Line Tracking System. During this review, the Analyst noted the following:

- Tracking system indicates 2 hours Continuous Improvement training for trainee Donald Peca on 10/8/09, but no initial on roster.
- Tracking system indicates 2 hours Continuous Improvement training for trainee Brian Buell on 10/20/09, but no initial on roster.
- Roster indicates 2 hours Continuous Improvement training provided to trainee Shasta Palmer on 11/6/09, but training not listed on tracking system.

You advised the Analyst that you would review these three findings and follow up with her, which you did on February 23, 2010. You advised the Analyst that after reviewing your records, it was determined that the training two hours training input on both 10/8 and 10/20/09, were input in error and need to be removed, and the training on 11/6/09, should not be input on the ETP system. Ms. Wadzinski followed up with you on February 26, 2010, and advised you that since you submitted invoices for completion of training, she will need to contact ETP's Fiscal Unit to request assistance on correcting the tracking system, and provided technical assistance on the information required to proceed.

All other attendance rosters reviewed indicated that the Rosters were completed correctly, and corresponded with the training input on the ETP On-Line System, and met ETP's requirements; and the Agreement curriculum was provided as specified; and that you are in compliance with the ratio of one trainer to 20 retrainees, as specified in the Agreement Training Plan.

Project staff was advised that the above findings are based only on the training records reviewed during this visit. Therefore, it is your responsibility to ensure that all training records comply with Panel requirements for auditing purposes. (Reference: Title 22 California Code of Regulations, Section 4442)

### **INTERVIEWS:**

The Analyst interviewed four trainees: a Mechanical Engineer, a Mill Operator, a CNC Mill Lead and a Purchasing Representative. These trainees stated that have been with Next Intenet from two to 10 years. All the trainees interviewed informed the Analyst that they participated in Continuous Improvement training, which they stated was work-related and beneficial to their jobs. One trainee commented that this training taught him how to work together as a team to provide better service to customers and ultimately produce a higher quality product at a competitive cost. Another trainee commented that this training helped him understand that the total cycle time of a part does not end until payment is received for the part produced, which in turn affects production output numbers. Another trainee stated that this training provided him with knowledge on how to review processes to determine if there are ways to streamline a current process by eliminating steps which are no longer necessary, or outdated. The last trainee commented that he realized the importance of providing an accurate quote, and the need to work with others who have history on manufacturing some of the parts, as not to under or over estimate the time and cost of a job.

The trainees all commented that this training has brought all the different departments together, which they indicated has lifted morale throughout the company; as well as built camaraderie amongst the workers across the board. They stated that the trainer was very knowledgeable in the course material, combining lecture and group participation. They also confirmed compliance to the Agreement curriculum and that the trainer-to-trainee ratio was adhered to.

**AUDIT:**

Next Intent will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

**RECORD RETENTION:**

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Elsa Wadzinski at (818) 755-3634 or by email at [ewadzinski@etp.ca.gov](mailto:ewadzinski@etp.ca.gov) within ten (10) working days from the receipt of this report.

Sincerely,

*Signature on file*

Wally Aguilar, Program Manager  
North Hollywood, Regional Office

*Signature on file*

Elsa Wadzinski, Contract Analyst  
North Hollywood, Regional Office

cc: Len Bertain (Via e-mail)  
Corporate Innovation

David Guzman, Chief, Audits & Program Operations Division, ETP (via E-mail)  
Kulbir Mayall, Fiscal Manager, ETP (via E-mail)  
Master File  
Project File

Date report mailed to Contractor 3/3/10